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UNCLAS MADRID 001819

SIPDIS

STATE FOR EB/TPP/MTA ROBERT DOWNES/ANISSA WHITTEN

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TAGS: [ECON](#) [ETRD](#) [WTO](#)

SUBJECT: SPANISH VIEWS ON WTO SERVICES NEGOTIATIONS:REVISED
OFFER

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1. Summary: The GOS devotes significant staff to services. Insurance, telecoms and banking are Spain's main interests. The EU is making an effort to improve its services offer according to GOS interlocutors. The EU has not shared with Member States examples of alleged "roll-backs". The EU is planning to improve its Mode 4 offer, although it will probably not make an offer in May for numerical ceilings for economic needs tests (ENTs). End Summary

2. Trade Policy officer met on May 12 with Ministry of Industry, Tourism and Trade Subdirector General Jose Alberto Plaza Tejera and Cristina Calvo to discuss the issues raised in reftel.

GOS DEVOTES SIGNIFICANT STAFF TO SERVICES

3. The unit that Tejera head ups has eight professionals working full time on services. In addition, other Ministries contribute expertise such as, for instance, the Ministry of Finance for banking services. Tejera expressed confidence that the GOS could engage on the international services debate despite its personnel intensive nature. Somebody from his office goes to Brussels once or twice a month to attend 133 Committee meetings on services.

SECTORAL INTEREST IN SERVICES TRADE NEGOTIATIONS

4. Spanish insurance, telecoms (specifically Telefonica), energy companies, and banking firms are interested in the WTO services talks. However, they tend to be focussed on specific issues arising from investments overseas, rather than the broader policy issues stemming from trade, not investment, in services. Telefonica is an exception, however, with a full time staff person devoted to following international trade talks.

NO DETAIL ON ALLEGED "ROLL-BACKS"

5. Tejera said the GOS was not aware of a lack of ambition or "roll-backs) with respect to the American services offer. He said the Commission had not shared examples of roll-backs with the Member States. He promised to get back to Trade Policy Officer if he learned of any examples.

EU MOVEMENT ON MODE 4 LIKELY

6. Tejera said there would likely be an improved EU offer on mode 4. He said the developed countries had to make a "gesture" to developing countries. In his personal view though, even a new and improved EU offer would not be enough for developing countries. He mentioned that the EU is considering a better offer for contractual services suppliers and independent professionals. With respect to the latter, he said the Commission was studying allowing legal services to be included. Conditions for supplying services would be stringent though. Local wage and benefit levels would be mandatory, and there would be a six month limitation. Tejera noted that the EU would not be able to make an ENT offer this month. In general, the EU is still studying how make Mode 4 commitments conceptually compatible with immigration regimes. He acknowledged this was a tough problem for the U.S. and the EU.

MANZANARES